(b) and (c) In the same period the Planning Commission has allocated net market borrowing of Rs. 4943.11 crores to States. The market borrowing by States is not adjustable agianst any kind of Central loan/assistance which they get as their allocation for their Plan outlay.

Hire purchase business by banks

2660. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have allowed banks to directly undertake leasing factoring and hire purchase business;

(b) if so, what are the reasons therefor; and

(c) what are the modalities thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) Reserve Bank of India (RBI) (not the Government) have recently written to all commercial banks giving them the option to undertake equipment leasing, hire purchase financing and factoring services departmentally also.

Earlier, RBI had advised commercial banks that they may undertake such activities through separately established subsidiaries. During their discussion with RBI, Chairmen and Managing Directors had suggested that banks be permitted to undertake these activities departmentally also. It was suggested to RBI that if banks are permitted to undertake equipment leasing, hire purchase financing and factoring services, they would be able to derive tax benefits by way of depreciation and consequently the profitability of banks would improve. RBI have decided to give banks the option to undertake any of these activities departmentally or through their subsidiaries.

Detailed operational and accounting guidelines hove been given to all commercial banks vide RBI's communication dated 19.2.1994.

Mou between Reserve Bank of India and Nationalised banks

2661. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some Nationalised banks are not sticking to the terms of Memorandum of Undertaking they had signed with the Reserve Bank of India;

(b) if so, what are the names of such banks; and

(c) what action Government propose to take against the defaulting banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) No, Sir.

(b) and (c) Do not arise.

Chinese investors to invest in India

2662. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Chinese investors have expressed their interest in investing their capital in India;

(b) details of the proposals received in this regard; and

(c) reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) Yes, Sir. Investments of Rs. 62.41 crores from China have been approved by Govt. of India during the years 1991 to 1993.